Calendar No. 11

99TH CONGRESS, 1st Session } SENATE { REPORT 99-7

SECTION 2901 RESCISSION BILL, 1985

MARCH 5 (legislative day FEBRUARY 18), 1985.—Ordered to be printed

Mr. HATFIELD, from the Committee on Appropriations, submitted the following

REPORT

[To accompany S. 469]

The Committee on Appropriations, to which was referred the bill (S. 469) rescinding certain budget authority, reports the same to the Senate with an amendment, and presents herewith information relative to its recommendation.

SUMMARY

S. 469 would implement the 226 rescission proposals transmitted by the President on February 6, 1985 (H. Doc. 99–24) pursuant to section 2901 of the Deficit Reduction Act of 1984. The Committee reports the bill under title X of the Impoundment Control Act of 1974 (2 U.S.C. 681 et seq.) with an amendment.

BACKGROUND

Section 2901 of the Deficit Reduction Act of 1984 states the sense of the Congress that executive branch agencies continue to make significant management improvements in the following six categories to achieve a more efficient use of Federal funds and to achieve further reductions in Federal expenditures: (1) travel and transportation of personnel and transportation of things for personnel; (2) use of consultant services; (3) public affairs, public relations, and advertising activities; (4) publishing, printing, reproduction, and audiovisual activities; (5) debt collection activities; and (6) operation, maintenance, management, leasing, acquisition, and disposal of motor vehicles.

Section 2901 also requires the Director of the Office of Management and Budget [OMB] to transmit a report to the appropriate committees

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of the Congress specifying for each of the above categories: (1) the fiscal year 1984 baseline cost; (2) the savings below the baseline that can reasonably be expected to be achieved in fiscal year 1985; (3) an explanation of how such savings might be achieved; and (4) draft legislation, if necessary, to achieve such savings.

In addition, section 2901 establishes the following savings targets for each of the six categories: (1) $750,000,000 for travel and transportation; (2) $1,000,000,000 for consultant services; (3) $100,000,000 for public affairs; (4) $250,000,000 for publication and audiovisual activities; (5) $2,100,000,000 for debt collection; and (6) $160,000,000 for motor vehicles. If the possible savings identified by the OMB fall short of these targets, the report is to include an explanation of why the target figures cannot be met.

The OMB report required by section 2901 can be found in appendix A of the President's fiscal year 1986 budget document entitled "Management of the United States Government: Fiscal Year 1986." Part II of the appendix to the fiscal year 1986 budget contains the President's proposed rescissions and proposals to reduce limitations on fiscal year 1985 funds to achieve savings pursuant to section 2901 of the Deficit Reduction Act. Separate special messages transmitted to the Congress contain proposed rescission language and separate rescission and deferral reports for each account for which there is a proposed section 2901 withholding.

S. 469 seeks to implement the President's special message of February 6, 1985, transmitting proposed rescissions of budget authority to achieve savings in response to section 2901 of the Deficit Reduction Act. This special message proposes 226 rescissions totaling $371,994,000.

COMMITTEE RECOMMENDATION

The Committee reports S. 469 to the Senate with an amendment. The Committee amendment withholds from obligation those sums proposed to be rescinded by S. 469 for a longer period of time than otherwise permitted under existing rescission procedures.

The Committee believes the expenditure reductions recommended by section 2901 of the Deficit Reduction Act of 1984 can be made without a significant impact on the effectiveness of Federal programs. In fact, they can lead to a more efficient use of Federal funds and contribute to deficit reduction.

The Committee notes that the proposed rescissions submitted by the administration represent only a small fraction of the reductions contemplated under section 2901—8.5 percent of the targeted savings. Further, they do not reflect a fair distribution of programmatic constraints as contemplated by the Congress. The Committee believes it to be the intent of the Congress that such savings be applied in a fair and equitable manner, Governmentwide, without arbitrary or blanket exceptions of certain departments or agencies.

The Committee is cognizant that this rescission package is only one of the proposals made by the administration to effect section 2901 sav-

ings. The administration's fiscal year 1986 budget also proposes limitations on fiscal year 1985 obligations and deferrals of fiscal year 1985 funds.

The Committee, therefore, believes it to be prudent and necessary to withhold from obligation the sums proposed to be rescinded to S. 469 for a longer period than otherwise permitted under existing rescission procedures. The recommended action will extend the impoundment of these funds until July 1, 1985. This will enable the Committee to fully review the administration's rescission proposals and to identify further reductions necessary to approach the goals specified in section 2901 of the Deficit Reduction Act. It will also allow the Committee to consider the proposed rescissions in conjunction with the administration's other section 2901 responses—deferral actions and proposed reductions in obligational limitations on fiscal year 1985 funds—and other fiscal year 1985 funding proposals.

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99TH CONGRESS, 1st Session } SENATE { REPORT 99-8

URGENT SUPPLEMENTAL APPROPRIATIONS FOR EMERGENCY FAMINE RELIEF AND RECOVERY IN AFRICA

MARCH 5 (legislative day FEBRUARY 18), 1985.—Ordered to be printed

Mr. HATFIELD, from the Committee on Appropriations, submitted the following

REPORT

[To accompany H.R. 1239]

The Committee on Appropriations, to which was referred the bill (H.R. 1239) making urgent supplemental appropriations for emergency famine relief and recovery in Africa for the fiscal year ending September 30, 1985, and for other purposes, reports the same to the Senate with amendments and presents herewith information relative to the changes recommended.

INTRODUCTION

The terrible famine that is so severely devastating sub-Saharan Africa has gained worldwide attention. The American people have responded generously, as individual citizens have sacrificed their time and their money to aid in famine relief. Nothing is more evident of America's desire to help those who are suffering than the overwhelming response to a Peace Corps request for volunteers to provide advice and assistance in the long-term development of African nations. Private volunteer organizations [PVO's] have also done an outstanding job in relieving the pain and suffering caused by the famine. They have been largely responsible for seeing that donated food gets to starving people.

A sustained, long-term program of development is essential to alleviating the problems associated with the lack of sufficient food supplies on the continent of Africa. The Committee believes, however, that the current crisis demands immediate action to provide emergency food assistance. Long-term development needs will be reviewed during consideration of regular appropriation bills for fiscal year 1986.

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Mass media coverage of the famine, especially photographs of starving children, draws an outpouring of emotion from the people in our land of plenty. Such emotion is justified, and the Committee shares that emotion. However, when the practical aspects of the situation are considered, a reasonable, systematic approach is the only way to assure that these critical needs will be met and that our dollars will not be squandered, but spent wisely.

AFRICAN FOOD AID NEEDS

Public Law 480 states that the President shall "give priority consideration, in helping to meet urgent food needs abroad, to making available the maximum feasible volume of food commodities . . . required by those countries most seriously affected by food shortages and by inability to meet immediately food requirements on a normal commercial basis. . . ."

The African nations which are affected by this famine provide approximately 80 percent of their own food needs through agricultural production, commercial imports, and informal food sources, such as roots and tubers. If the United States were to provide more than the maximum feasible volume of food commodities, the excess commodities could have a devastating effect on the domestic economies of the recipient countries due to market displacement and low agricultural prices. Because of the amount of time required from the ordering of commodities by our Government until the time the commodities reach the affected countries, any excess shipments required by an overabundant appropriation would not reach Africa until summer or early fall—which coincides with the harvests in those countries. It is contradictory to U.S. policy that our donated commodities should compete with their products.

Another practical problem with providing an abundant supply in such a short period of time is distribution. Most African ports are inadequate to handle many more ships than are currently scheduled to be there. Assuming, though, that the shipments are unloaded at the port, insufficient vehicles and substandard roads would make inland distribution for that quantity of food difficult, thereby leaving a significant amount of food at the ports to spoil. This is not a wise use of food or money, and it would benefit no one.

U.S. CONTRIBUTION TO DATE

The U.S. Government has traditionally provided approximately 50 percent of emergency food relief requirements. Other donors, including Canada and member nations of the European Economic Community provide the remainder of the necessary support. Many nations which are not able to provide commodities contribute funds and materials to assist in the processing, transportation, storage, and distribution of the commodities. The United States and other donor nations are actively encouraging increased support from these other countries.

The Food and Agricultural Organization [FAO] of the United Nations estimates that the United States has so far committed about 51 percent of the food provided this year. In this current fiscal year, through March 1, 1985, the United States has provided approximately 2.5 million metric tons of food to sub-Saharan Africa valued at approximately $797,000,000. The Agency for International Development [AID] and the Department of Agriculture [USDA] have done an outstanding job of utilizing various authorities available for increasing the regularly programmed amount of aid for Africa. These include the President's authorization for the use of 300,000 metric tons of wheat from the Food Security Wheat Reserve; the use of section 416 dairy donations, which is now projected to reach $59,000,000 during the fiscal year; transfers from title I to title II appropriations; and reprogramming of title II programs. AID has assured the Committee that the programs from which these funds were drawn have not been adversely affected.

The actions taken by AID to support prompt, sufficient funding for the U.S. commitment to the famine relief effort are evidence of the administration's desire to provide America's fair share of support in that effort. Reports from those who have visited and inspected relief efforts indicate that U.S. support is making its way to people in need to the greatest extent possible within the confines of distribution problems and varying degrees of government cooperation.

TITLE I

CHAPTER I

AFRICAN FAMINE RELIEF

PUBLIC LAW 480, TITLE II

Title II of the Agricultural Trade Development and Assistance Act of 1954 (Public Law 83–480), as amended, provides for commodities to be supplied without cost to developing countries to combat malnutrition and to meet famine and other emergency requirements. Ocean freight costs are included in this appropriation, as well as overland transportation costs to landlocked countries. In addition, the continuing resolution for fiscal year 1985 (Public Law 98–473) contained authorization allowing funds under title II to be used for storage and distribution costs in cases of urgent and extraordinary relief requirements, including prepositioning of commodities.

PUBLIC LAW 480, TITLE II

1985 appropriations to date	$650,000,000
1985 supplemental request	185,000,000
House allowance	480,000,000
Committee recommendation	269,000,000

COMMITTEE RECOMMENDATION

The Committee recommendation provides an additional $285,000,000 to funds already available in fiscal year 1985. Of this amount, $269,000,000 is an appropriation of new budget authority, and the remaining $16,000,000 is to be made available from unobligated fiscal year 1984 title II funds. This is $84,000,000 more than the administration's supplemental request, and is $211,000,000 less than the amount provided by the House. The House language, however, does not allow for the $16,000,000 carryover of fiscal year 1984 funds.

The Committee does not concur with the House provision earmarking $100,000,000 for inland transportation costs. However, the Committee recognizes the crucial need for inland transportation funds, and has recommended bill language providing that funds appropriated in this bill shall be used for inland transportation. The Committee expects these funds to be utilized for this purpose to the greatest extent practicable.

The Committee does not concur with the House provision of $120,000,000 of Commodity Credit Corporation [CCC] stocks for sale on a competitive basis or barter to African countries requiring emergency food assistance, or any country for use in assisting in emergency famine relief in Africa. The fiscal year 1984 urgent supplemental appropriations bill for African famine relief (Public Law 98–332) provided $90,000,000 for this purpose to remain available through the end of fiscal year 1985. The CCC has not utilized any of this authority thus far in fiscal year 1985, and, therefore, the Committee does not believe an additional $30,000,000 is necessary.

The Committee would like to ensure that as much of the funding as possible provided in the bill accompanying this report is spent on actual food to feed those starving in Africa. The Committee believes that funds expended on the transportation and distribution of the food could possibly be more efficiently utilized. The Committee would like, therefore, to strongly urge that funds provided in the bill accompanying this report which will be expended for transportation and distribution systems be expended on those systems which would effect efficiencies, productivity improvement and which will cost the least. Systems available from private sector operators like those being promoted by the World Bank/IFC for the past 2 years such as the utilization of floating grain terminals should be implemented if they can effect such savings. Their preliminary staff estimates indicate that implementation of a mobile amphibious grain distribution assembly within a well planned transportation system would save $50 to $75 per ton as compared to the present ad hoc methods of transportation and distribution.

CHAPTER II

FUNDS APPROPRIATED TO THE PRESIDENT

AGENCY FOR INTERNATIONAL DEVELOPMENT

INTERNATIONAL DISASTER ASSISTANCE

1985 appropriations to date	$25,000,000
1985 supplemental request	25,000,000
House allowance	137,500,000
Committee recommendation	137,500,000

The Committee recommends the appropriation of up to $137,500,000, the same as authorized in H.R. 1096, the African Famine Relief and Recovery Act of 1985, the Senate-passed authorization legislation. The Committee is including language, however, which allows the administration some flexibility in order to ensure that the funds provided under this account are used in a totally efficient manner. The language the Committee is recommending allows for a Disaster Assistance Program less than $137,500,000 if the need for that amount, which is $112,500,000 over administration estimates, is not required. The Committee is recommending that these funds be available through fiscal year 1986, and while ordinarily the Committee does not require a 15-day notification for disaster assistance, because of the nature of this program, some notification is desirable for proper congressional oversight. Therefore, the Committee is recommending a 5-day notification before obligation of these funds.

It is anticipated that most of the assistance provided under this account will be in support of private voluntary agencies' and international organizations' ongoing efforts in Africa for such activities as inland transportation, medical services and supplies, shelter, and basic agricultural rehabilitation. The Committee strongly supports the utilization of private voluntary agencies and international organizations, and commends those groups for the work they have already done in combatting this famine. In addition, the Committee expects that at least $1,400,000 of this amount will be used as a contribution to the United Nations Office of Emergency Operations in Africa, which, together with a contribution of $600,000 from the refugee programs of the State Department, will provide a U.S. response of $2,000,000 over 2 years for this important activity.

The Committee agrees with and reiterates the admonitions contained in the House report accompanying this legislation that U.S. assistance is intended for all victims of this famine regardless of political belief, geographic location, or tribal association and that AID should closely monitor and ensure that food supplies are not being diverted by local governments to other than famine relief uses.

The Committee is likewise concerned with the Ethiopian Government's response to the plight of its own people as a result of this famine. It is nothing short of unconscionable that the Ethiopian Government has refused to cooperate, and, in fact, in some instances hindered

the effort to save the starving and alleviate the suffering of those people within its borders. Notwithstanding that government's policies, the Committee believes the United States should not stand by and watch the devastation without responding.

The Committee would like to call special attention to the environmental aspects of this disaster by directing the Agency for International Development to take into account such concerns as it prepares programs in response to this disaster. Obviously, environmental concerns should be a major priority in the immediate response to the situation in Africa, as well as in long-range solutions.

OPERATING EXPENSES

(By transfer)

1985 appropriations to date	$391,533,250
1985 supplemental request	0
House allowance	(2,500,000)
Committee recommendation	(2,500,000)

The Committee concurs with the House recommendation that $2,500,000 be transferred from the "International disaster assistance" account for operating expenses of the Agency for International Development in order to provide increased monitoring of the entire famine relief package under this act. This is especially important in order to ensure fair distribution of this assistance, as well as to guard against diversion of any of this assistance which, if it occurs, will only result in a lessening of support by the American people for additional funds in the future for long-range solutions.

Department of State

UNITED STATES EMERGENCY REFUGEE AND MIGRATION ASSISTANCE FUND

1985 appropriations to date	0
1985 supplemental request	$25,000,000
House allowance	25,000,000
Committee recommendation	25,000,000

The Committee is recommending the appropriation of $25,000,000 for the United States Emergency Refugee and Migration Assistance Fund. Despite the fact that this fund is normally utilized for unforeseen contingencies, it is the Committee's understanding that the State Department has already programmed these funds for emergency refugee needs associated with the drought in Africa. As with the disaster assistance funds, the Committee anticipates that most of these funds will be provided for relief activities through private voluntary agencies and international organizations. In addition, as mentioned in the discussion under the "International disaster assistance" account, the Committee expects that at least $600,000 will be provided to the United Nations Office of Emergency Operations in Africa from this account or a combination of this account and the regular "Migration and refugee assistance" account. The Committee also recommends a 5-day notification for funds under this account.

At the present time the condition of refugees who have fled Ethiopia and are in camps in the Sudan is worse in many instances than those left behind in Ethiopia. It is the Committee's understanding, therefore, that a major portion of the funds provided under this account will be utilized for activities in the Sudan.

MIGRATION AND REFUGEE ASSISTANCE

1985 appropriations to date	$325,500,000
1985 supplemental request	0
House allowance	12,500,000
Committee recommendation	12,500,000

The Committee is recommending up to $12,500,000 for supplementary funding of urgent refugee needs related to the African drought. As with the "International disaster assistance" account, the Committee is providing the administration with some flexibility by making these funds available through fiscal year 1986.

In addition to assistance for the United Nations Office of Emergency Operations in Africa, the Committee expects that funding under this account will be used for emergency programs in Africa, including projects proposed under the International Conference on Assistance to Refugees in Africa II [ICARA II], but only to the extent that such projects are truly related to the famine disaster in sub-Saharan Africa. While under current law a 15-day notification would be required for funds under this account, the Committee is recommending a 5-day notification in light of the emergency.

TITLE II

EMERGENCY RESERVE FOR AFRICAN FAMINE RELIEF

The Committee believes that the amounts appropriated in this bill for title II of Public Law 480 will be sufficient to meet emergency needs in Africa. However, because of the difficulty in obtaining accurate population and food need estimates, the Committee concurs with the House provision which creates an emergency reserve for African famine relief. This emergency reserve will be available only if the President certifies that the use of such funds is essential to prevent famine in Africa.

The Committee recommends funding this reserve at the level of $225,000,000, and recommends that it remain available through the end of fiscal year 1986. This is the same amount as provided by the House. The Committee recommendation includes a provision which would make the use of these funds contingent upon submittal of an official budget request. By making these contingency funds available through the next fiscal year, the Committee hopes to alleviate the need for yet another emergency appropriations bill for African famine relief in fiscal year 1986.

TITLE III

GENERAL PROVISIONS

The Committee has struck the House provision requiring authorization for international disaster assistance and the regular "Migration and refugee assistance" account, and, instead, provided waiver language in the event that authorization is not enacted into law. The Committee believes this recommendation is prudent in view of the emergency in Africa. In the event that such authorization is enacted into law when this legislation is considered on the floor of the Senate, it is the intention of the Committee to withdraw this amendment.

The Committee concurs with the general provisions added by the House relating to Commodity Credit Corporation funding and the requirement of reports by the Administrator for the Agency for International Development.

The Committee also recommends a provision making it clear that the Administrator of the Agency for International Development is the individual responsible for determining the extent of the emergency food and disaster requirements under this act.

COMPARISONS WITH BUDGET RESOLUTION

In accordance with section 308(a)(1)(A) of the Congressional Budget Act of 1974 (Public Law 93–344), the following comparison between the new budget authority set forth in the first concurrent resolution on the budget, as allocated by the Committee on Appropriations under section 302 of the act, and the budget authority contained in the accompanying bill is provided:

	In millions of dollars
Total fiscal year 1985 section 302(a) allocation	$559,953
Previously enacted[1]	553,291
Amount remaining	6,662
Committee bill	669
Amount under allocation	5,993

[1] CBO estimate.

FIVE-YEAR PROJECTION OF OUTLAYS

In accordance with section 308(a)(1)(B) of the Congressional Budget Act of 1974 (Public Law 93–344), the following table contains 5-year projections of the outlays associated with the budget authority provided in the accompanying bill:

	In millions of dollars
Budget authority	$669
Outlays:	
1985	275
1986	304
1987	55
1988	4
1989 and future years	31

Assistance to State and Local Governments

In accordance with section 308(a)(1)(C) of the Congressional Budget Act of 1974 (Public Law 93–344), the new budget authority and outlays provided by the accompanying bill for financial assistance to State and local governments are as follows:

	In millions of dollars
Fiscal year 1985 new budget authority	0
Fiscal year 1985 outlays resulting therefrom	0

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